

AMENDED IN SENATE FEBRUARY 12, 2009

AMENDED IN SENATE JANUARY 22, 2009

SENATE BILL

No. 1

Introduced by Senators Steinberg and Alquist

(Principal coauthors: Assembly Members Chesbro and Jones)

December 1, 2008

An act to amend Sections 123870 and 123955 of the Health and Safety Code, to amend Sections 12693.43, 12693.70, 12693.73, 12693.76, and 12694 of, to add Sections 12693.55.1, 12693.56, 12693.57, 12693.701, and 12693.983 to, and to add Chapter 16.2 (commencing with Section 12694.1) to Part 6.2 of Division 2 of, the Insurance Code, and to amend Section 14005.23 of, and to add Sections 14005.26, 14011.01, 14011.02, and 14011.61 to, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as amended, Steinberg. Health care coverage: children.

Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal program administered by the State Department of Health Care Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other criteria including specified citizenship and immigration status requirements. Under existing law, the applicant's signed statement as to the value or amount of income is accepted for eligibility purposes under the Healthy Families Program if documentation cannot otherwise be provided.

This bill would expand eligibility for the Medi-Cal program and the Healthy Families Program by modifying the income requirements applicable to those programs, and by making coverage available regardless of citizenship or immigration status, as specified. *The bill would require a parent or caretaker relative of a child applying for the Medi-Cal program to sign a specified attestation under penalty of perjury regarding the child's immigration status, as specified, thereby expanding the crime of perjury and imposing a state-mandated local program.* The bill would require the Managed Risk Medical Insurance Board, by July 1, 2011, to implement a process for an applicant's self-certification of income and income deductions for purposes of establishing eligibility for the Healthy Families Program. The bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services, by July 1, 2011, to simplify the annual renewal forms for children enrolled in the Healthy Families Program or the Medi-Cal program and to establish a process to allow families to renew their child's coverage by telephone. The bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to make specified technological improvements to the existing eligibility determination and enrollment systems for the Medi-Cal program and the Healthy Families Program and to develop a process to transition the enrollment of children from local children's health initiatives into those programs.

The bill would also make various related modifications to the Medi-Cal program and the Healthy Families Program and would require the State Department of Health Care Services and the Managed Risk Medical Insurance Board to maximize federal matching funds for the Medi-Cal program and the Healthy Families Program. Because the expansion of, and modifications to, the Medi-Cal program would impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program.

Existing law establishes the Healthy Families Presumptive Eligibility Program, administered by the Managed Risk Medical Insurance Board, to provide a child who, among other requirements, has been receiving full-scope Medi-Cal benefits with health care benefits while the board determines the child's eligibility for the Healthy Families Program. Existing law also creates a Medi-Cal presumptive eligibility program to provide a child who, among other requirements, has been receiving benefits under the Healthy Families Program with health care benefits until a Medi-Cal eligibility determination is made.

This bill would require the Managed Risk Medical Insurance Board and the State Department of Health Care Services to monitor those programs to ensure children are timely enrolled in the presumptive eligibility benefits for which they are eligible.

Existing law requires the state to administer, to the extent allowed under federal law, and only if federal financial participation is available, the Medi-Cal to Healthy Families Presumptive Eligibility Program to provide a child not receiving no-cost Medi-Cal benefits or Healthy Families benefits who meets specified eligibility requirements, including the income requirements of the Healthy Families Program, with benefits identical to full-scope benefits under the Medi-Cal program with no share of cost for the period during which the child has an application pending for coverage under the Healthy Families Program.

This bill would establish, to the extent allowed by federal law and to the extent federal financial participation is available, the Medi-Cal Presumptive Eligibility Program that would provide a child not receiving no-cost Medi-Cal benefits or Healthy Families Program benefits who meets specified eligibility requirements with presumptive eligibility benefits identical to full-scope benefits under the Medi-Cal program with no share of cost until the child's eligibility for the Medi-Cal program is determined, as specified. The bill would require the county to forward the child's application to the Healthy Families Program if it finds the child eligible for the Medi-Cal program with a share of cost. The bill would require this program to be implemented by July 1, 2011.

Under existing law, the Robert W. Crown California Children's Services Act, the State Department of Health Care Services and each county administer the California Children Services Program (CCS program) for treatment services for persons under the age of 21 years diagnosed with severe chronic disease or severe physical limitations, as specified. Existing law limits eligibility for those services to persons in families with an annual adjusted gross income of \$40,000 or less.

This bill would change that eligibility limitation to persons in a family with an annual, or equivalent monthly income, that is equal to or less than \$40,000, or that meets the income eligibility requirements for the Healthy Families Program, as specified.

The bill would also create the Healthy Families Buy-In Program (buy-in program) and would require the Managed Risk Medical Insurance Board to implement that program by July 1, 2011. Under the buy-in program, the coverage provided under the Healthy Families Program would be available to children whose household income

exceeds 300% of the federal poverty level and who meet other specified criteria. The bill would specify that coverage under the buy-in program would include services provided under the CCS program for children eligible for the CCS program and would deem the child's family financially eligible for benefits under the CCS program. Because the bill would thereby expand eligibility for the CCS program, which is administered by a county's public health or social welfare department, it would impose a state-mandated local program. The bill would specify the family contribution required for children enrolled in the buy-in program.

Existing law requires the state to reimburse counties for 50% of the amount required to meet state administrative standards for that portion of the county caseload under the CCS program that is ineligible for Medi-Cal, to the extent funds are available in the state budget.

This bill would also require the state to reimburse counties for 100% of the amount required to provide CCS program services to children enrolled in the buy-in program.

Existing law, the California Special Supplemental Food Program for Women, Infants, and Children (WIC), authorizes establishment of a statewide program, administered by the State Department of Public Health, for providing nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under 5 years of age, who have been determined to be at nutritional risk. The program, which implements a program authorized under existing federal law, provides for the redemption of nutrition coupons by recipients at any authorized retail food vendor. Existing law requires the Managed Risk Medical Insurance Board and the department, in collaboration with WIC program offices and other designated entities, to design, promulgate, and implement policies and procedures for an automated enrollment gateway system to obtain presumptive eligibility for, and to facilitate application for enrollment in, the Medi-Cal program and the Healthy Families Program for children applying to the WIC program. Existing law requires the WIC gateway system to be constructed with the capacity to be used by entities operating the WIC program.

This bill would require all WIC local agencies that serve large numbers of participants and a high proportion of uninsured participants, as specified, to use the WIC gateway system only to the extent funding is available, as specified, and would permit all other local WIC agencies to use the WIC gateway system at their option.

Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.

This bill would provide that the Managed Risk Medical Insurance Board may implement the provisions of the bill expanding the Healthy Families Program only to the extent that funds are appropriated for those purposes in the annual Budget Act or in another statute.

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature hereby finds and declares
- 2 all of the following:
- 3 (1) Investing in comprehensive health care coverage for children
- 4 is cost effective. Children with health care coverage are healthier,
- 5 are better able to access needed health care services, and are at
- 6 less risk of suffering from preventable illnesses.
- 7 (2) Health care coverage helps children reach their potential in
- 8 school. According to a study conducted by the Managed Risk
- 9 Medical Insurance Board, children enrolled in the Healthy Families
- 10 Program experienced a 63 percent improvement in paying attention
- 11 in class and keeping up with school activities.

1 (3) Expanding health care coverage to more children is an
2 essential step to increasing access to preventive, diagnostic, and
3 therapeutic health care services for children, which, in turn, will
4 reduce the burden of disease and contribute to a more productive
5 workforce.

6 (4) Although over nine of every 10 children in California have
7 health care coverage, about 683,000 children in the state are
8 without health care coverage according to 2007 data from the
9 Center for Health Policy Research at the University of California
10 at Los Angeles.

11 (5) Of the 683,000 children without coverage, approximately
12 56 percent are eligible for either the Healthy Families Program or
13 the Medi-Cal program. It is essential to support local outreach
14 efforts that find and enroll children into the program for which
15 they are eligible.

16 (6) The goal of providing all uninsured children with health
17 care coverage through California's two statewide programs is
18 achievable. However, if the state fails to act now, more children
19 may become uninsured, resulting in greater costs to the state as
20 children with developmental disabilities go undiagnosed until older
21 ages after more effective and inexpensive treatments could have
22 been implemented, and resulting in more costly emergency room
23 visits and hospitalizations as children with chronic diseases fail to
24 receive ongoing treatment.

25 (7) In the current economic recession, businesses are struggling,
26 resulting in some businesses having to reduce their workforce or
27 the hours of their employees. As a result, many families are losing
28 their employer-based health insurance due to job loss or reduction
29 in benefits. Now, more than ever, these families need affordable
30 health care coverage programs for their children. It is also critical
31 that these families be informed about public programs for which
32 they and their children may be eligible.

33 (8) Forty-six percent of Medi-Cal beneficiaries in California
34 are children.

35 (9) Local Children's Health Initiatives (CHIs) have provided
36 health care coverage to over 150,000 children cumulatively since
37 2001 through locally-operated Healthy Kids programs. Through
38 their outreach, CHIs have also enrolled hundreds of thousands of
39 eligible children in Healthy Families and Medi-Cal coverage. With
40 local and private funding, CHIs currently provide local coverage

1 to 86,000 children who are not currently eligible for state health
2 care coverage and would otherwise be uninsured. However,
3 financing for these local health care coverage programs is not
4 sustainable. In fact, nearly 21,000 children are on waiting lists for
5 these CHIs. A statewide system is required to provide sustainable
6 funding to ensure that all children in California have access to
7 health care coverage. If California does not act quickly to provide
8 a statewide solution for children's health care coverage, children
9 will lose their access to care.

10 (10) In at least half of the counties in the state, some children
11 have no access to affordable health care coverage.

12 (11) Enrollment barriers, such as multiple reporting periods and
13 unaffordable premiums, keep children from accessing the health
14 care that they need and for which they are eligible. Removing those
15 barriers is essential to ensuring all California children have access
16 to affordable, comprehensive health care coverage.

17 (12) The 111th Congress and the new administration have set
18 health care reform as a priority. This presents new opportunities
19 as well as the potential for additional federal funds for California
20 to finish the job of covering all children. This act is intended to be
21 congruent with and complementary of all national health care
22 reform efforts to provide opportunities for health care coverage
23 for children.

24 (b) It is the intent of the Legislature to accomplish all of the
25 following:

26 (1) Provide all uninsured children living in California, from
27 birth to 18 years of age, access to comprehensive health care
28 coverage that their families can afford.

29 (2) Prevent more children from becoming uninsured by
30 preserving Healthy Families and Medi-Cal coverage for children
31 currently enrolled in those programs and keeping the doors to that
32 coverage open for new enrollees.

33 (3) Ensure that currently insured children keep their coverage
34 and protect children from losing coverage by doing all of the
35 following:

36 (A) Eliminating semi-annual reporting requirements and
37 reinstating 12-month continuous eligibility for children in the
38 Medi-Cal program.

39 (B) Keeping family contributions required under the Healthy
40 Families Program affordable.

1 (C) Implementing existing laws that simplify the application
2 and renewal processes for the Medi-Cal program and the Healthy
3 Families Program, *including those modified by Chapter 328 of the*
4 *Statutes of 2006.*

5 (4) Establish, in a timely manner, a statewide system of
6 transition to prevent children covered by CHIs from losing that
7 coverage.

8 (5) Provide for a smooth transition to a statewide health care
9 coverage system for all children.

10 (6) Build upon the successful outreach and enrollment strategies
11 of the Healthy Families Program, the Medi-Cal program, and CHIs,
12 and improve the state insurance programs' operations to enroll all
13 eligible children, including modernizing and simplifying the
14 enrollment and renewal processes.

15 (7) Support local outreach efforts that find and enroll children
16 into the programs for which they are eligible, restore funding for
17 county outreach and enrollment plans, and broaden the outreach
18 approach of those plans to all California counties.

19 (8) Implement a plan for sustainable financing that supports the
20 statewide programs over the long term.

21 (9) Implement this act in a manner that maximizes, and does
22 not reduce, federal matching funds made available to the state for
23 children's health care coverage under Titles XIX and XXI of the
24 Social Security Act, and any other federal funding made available
25 through federal economic stimulus legislation, health reform
26 legislation, or any other means.

27 (10) Work with California businesses to develop creative
28 solutions to help businesses do what they can to cover more
29 dependent children.

30 (11) Ensure that all California residents have access to affordable
31 health care coverage by January 1, 2012.

32 (12) Establish a fund to protect existing state health insurance
33 for children and to assist in funding a phased-in statewide health
34 care coverage system for all children and link the changes made
35 by this act to that fund. It is the intent of the Legislature that the
36 fund include private funds and other federal funds made newly
37 available to California for the purpose of children's health care.

38 (c) It is further the intent of the Legislature to enact subsequent
39 legislation that would accomplish both of the following:

1 (1) Implement new strategies and tools made available through
2 federal health reform legislation or other means to maximize the
3 enrollment of eligible children in health care coverage.

4 (2) Build on the successful implementation of this act and
5 expand access to affordable health care coverage for uninsured
6 parents and adults.

7 SEC. 2. Section 123870 of the Health and Safety Code is
8 amended to read:

9 123870. (a) The department shall establish standards of
10 financial eligibility for treatment services under the California
11 Children's Services Program (CCS program).

12 (1) (A) Financial eligibility for treatment services under this
13 program shall be limited to persons in a family with an annual
14 income, or the equivalent monthly income, that is equal to or less
15 than forty thousand dollars (\$40,000) or that meets the income
16 eligibility requirements for the Healthy Families Program (Part
17 6.2 (commencing with Section 12639) of Division 2 of the
18 Insurance Code), as set forth in clause (i) of subparagraph (A) of
19 paragraph (5) of subdivision (a) of Section 12693.70 of the
20 Insurance Code. However, the director may authorize treatment
21 services for persons in families with higher incomes if the estimated
22 cost of care to the family in one year is expected to exceed 20
23 percent of the family's annual or monthly income. When
24 calculating annual or monthly income under this paragraph, any
25 income deduction that is applicable to a child under the Medi-Cal
26 program shall be applied in determining the annual or monthly
27 household income for eligibility under the CCS program.

28 (B) If a person is enrolled in the Healthy Families Program, the
29 financial documentation required for that program in Section
30 2699.6600 of Title 10 of the California Code of Regulations may
31 be used instead of the person's California state income tax return.

32 (2) Children enrolled in either the Healthy Families Program
33 or the Healthy Families Buy-In Program who have a CCS program
34 eligible medical condition under Section 123830, and whose
35 families do not meet the financial eligibility requirements of
36 paragraph (1), shall be deemed financially eligible for CCS
37 program benefits.

38 (b) Necessary medical therapy treatment services under the
39 California Children's Services Program rendered in the public
40 schools shall be exempt from financial eligibility standards and

1 enrollment fee requirements for the services when rendered to any
2 handicapped child whose educational or physical development
3 would be impeded without the services.

4 (c) All counties shall use the uniform standards for financial
5 eligibility and enrollment fees established by the department. All
6 enrollment fees shall be used in support of the California Children's
7 Services Program.

8 (d) Annually, every family with a child eligible to receive
9 services under this article shall pay a fee of twenty dollars (\$20),
10 that shall be in addition to any other program fees for which the
11 family is liable. This assessment shall not apply to any child who
12 is eligible for full-scope Medi-Cal benefits without a share of cost,
13 for children receiving therapy through the California Children's
14 Services Program as a related service in their individualized
15 education plans, for children from families having incomes of less
16 than 100 percent of the federal poverty level, or for children
17 covered under the Healthy Families Program or the Healthy
18 Families Buy-In Program.

19 SEC. 3. Section 123955 of the Health and Safety Code is
20 amended to read:

21 123955. (a) The state and the counties shall share in the cost
22 of administration of the California Children's Services Program
23 at the local level.

24 (b) (1) The director shall adopt regulations establishing
25 minimum standards for the administration, staffing, and local
26 implementation of this article subject to reimbursement by the
27 state.

28 (2) The standards shall allow necessary flexibility in the
29 administration of county programs, taking into account the
30 variability of county needs and resources, and shall be developed
31 and revised jointly with state and county representatives.

32 (c) The director shall establish minimum standards for
33 administration, staffing and local operation of the program subject
34 to reimbursement by the state.

35 (d) Until July 1, 1992, reimbursable administrative costs, to be
36 paid by the state to counties, shall not exceed 4.1 percent of the
37 gross total expenditures for diagnosis, treatment and therapy by
38 counties as specified in Section 123940.

39 (e) Beginning July 1, 1992, this subdivision shall apply with
40 respect to all of the following:

1 (1) (A) Counties shall be reimbursed by the state for 50 percent
2 of the amount required to meet state administrative standards for
3 that portion of the county caseload under this article that is
4 ineligible for Medi-Cal to the extent funds are available in the state
5 budget for the California Children's Services Program.

6 (B) Commencing January 1, 2010, counties shall be reimbursed
7 by the state for 100 percent of the amount required to meet state
8 administrative standards for that portion of the county caseload
9 under this article that provides services to children enrolled in the
10 Healthy Families Buy-In Program.

11 (2) On or before September 15 of each year, each county
12 program implementing this article shall submit an application for
13 the subsequent fiscal year that provides information as required
14 by the state to determine if the county administrative staff and
15 budget meet state standards.

16 (3) The state shall determine the maximum amount of state
17 funds available for each county from state funds appropriated for
18 CCS county administration. If the amount appropriated for any
19 fiscal year in the Budget Act for county administration under this
20 article differs from the amounts approved by the department, each
21 county shall submit a revised application in a form and at the time
22 specified by the department.

23 (f) The department and counties shall maximize the use of
24 federal funds for administration of the programs implemented
25 pursuant to this article, including using state and county funds to
26 match funds claimable under Title 19 of the Social Security Act.

27 SEC. 4. Section 12693.43 of the Insurance Code is amended
28 to read:

29 12693.43. (a) Applicants applying to the purchasing pool shall
30 agree to pay family contributions, unless the applicant has a family
31 contribution sponsor. Family contribution amounts consist of the
32 following two components:

33 (1) The flat fees described in subdivision (b) or (d).

34 (2) Any amounts that are charged to the program by participating
35 health, dental, and vision plans selected by the applicant that exceed
36 the cost to the program of the highest cost family value package
37 in a given geographic area.

38 (b) In each geographic area, the board shall designate one or
39 more family value packages for which the required total family
40 contribution is:

1 (1) Seven dollars (\$7) per child with a maximum required
2 contribution of fourteen dollars (\$14) per month per family for
3 applicants with annual household incomes up to and including 150
4 percent of the federal poverty level.

5 (2) Nine dollars (\$9) per child with a maximum required
6 contribution of twenty-seven dollars (\$27) per month per family
7 for applicants with annual household incomes greater than 150
8 percent and up to and including 200 percent of the federal poverty
9 level and for applicants on behalf of children described in clause
10 (ii) of subparagraph (A) of paragraph (5) of subdivision (a) of
11 Section 12693.70. Commencing the first day of the fifth month
12 following the enactment of the 2008–09 Budget Act, the family
13 contribution pursuant to this paragraph shall be twelve dollars
14 (\$12) per child with a maximum required contribution of thirty-six
15 dollars (\$36) per month per family.

16 (3) (A) On and after July 1, 2005, fifteen dollars (\$15) per child
17 with a maximum required contribution of forty-five dollars (\$45)
18 per month per family for applicants with annual household income
19 to which subparagraph (B) of paragraph (5) of subdivision (a) of
20 Section 12693.70 is applicable. Notwithstanding any other
21 provision of law, if an application with an effective date prior to
22 July 1, 2005, was based on annual household income to which
23 subparagraph (B) of paragraph (5) of subdivision (a) of Section
24 12693.70 is applicable, then this subparagraph shall be applicable
25 to the applicant on July 1, 2005, unless subparagraph (B) of
26 paragraph (5) of subdivision (a) of Section 12693.70 is no longer
27 applicable to the relevant family income. The program shall provide
28 prior notice to any applicant for currently enrolled subscribers
29 whose premium will increase on July 1, 2005, pursuant to this
30 subparagraph and, prior to the date the premium increase takes
31 effect, shall provide that applicant with an opportunity to
32 demonstrate that subparagraph (B) of paragraph (5) of subdivision
33 (a) of Section 12693.70 is no longer applicable to the relevant
34 family income.

35 (B) Commencing the first day of the fifth month following the
36 enactment of the 2008–09 Budget Act, the family contribution
37 pursuant to this paragraph shall be seventeen dollars (\$17) per
38 child with a maximum required contribution of fifty-one dollars
39 (\$51) per month per family.

(4) Applicants on behalf of children with an annual or monthly household income to which subparagraph (C) of paragraph (5) of subdivision (a) of Section 12693.70 is applicable shall be required to make family contributions at 150 percent of the contributions required for children who are enrolled in the program whose annual or monthly household incomes are greater than 200 percent but less than or equal to 250 percent of the federal poverty level.

(c) Combinations of health, dental, and vision plans that are more expensive to the program than the highest cost family value package may be offered to and selected by applicants. However, the cost to the program of those combinations that exceeds the price to the program of the highest cost family value package shall be paid by the applicant as part of the family contribution.

(d) The board shall provide a family contribution discount to those applicants who select the health plan in a geographic area that has been designated as the Community Provider Plan. The discount shall reduce the portion of the family contribution described in subdivision (b) to the following:

(1) A family contribution of four dollars (\$4) per child with a maximum required contribution of eight dollars (\$8) per month per family for applicants with annual household incomes up to and including 150 percent of the federal poverty level.

(2) Six dollars (\$6) per child with a maximum required contribution of eighteen dollars (\$18) per month per family for applicants with annual household incomes greater than 150 percent and up to and including 200 percent of the federal poverty level and for applicants on behalf of children described in clause (ii) of subparagraph (A) of paragraph (5) of subdivision (a) of Section 12693.70. Commencing the first day of the fifth month following the enactment of the 2008–09 Budget Act, the family contribution pursuant to this paragraph shall be nine dollars (\$9) per child with a maximum required contribution of twenty-seven dollars (\$27) per month per family.

(3) (A) On and after July 1, 2005, twelve dollars (\$12) per child with a maximum required contribution of thirty-six dollars (\$36) per month per family for applicants with annual household income to which subparagraph (B) of paragraph (5) of subdivision (a) of Section 12693.70 is applicable. Notwithstanding any other provision of law, if an application with an effective date prior to July 1, 2005, was based on annual household income to which

1 subparagraph (B) of paragraph (5) of subdivision (a) of Section
2 12693.70 is applicable, then this subparagraph shall be applicable
3 to the applicant on July 1, 2005, unless subparagraph (B) of
4 paragraph (5) of subdivision (a) of Section 12693.70 is no longer
5 applicable to the relevant family income. The program shall provide
6 prior notice to any applicant for currently enrolled subscribers
7 whose premium will increase on July 1, 2005, pursuant to this
8 subparagraph and, prior to the date the premium increase takes
9 effect, shall provide that applicant with an opportunity to
10 demonstrate that subparagraph (B) of paragraph (5) of subdivision
11 (a) of Section 12693.70 is no longer applicable to the relevant
12 family income.

13 (B) Commencing the first day of the fifth month following the
14 enactment of the 2008–09 Budget Act, the family contribution
15 pursuant to this paragraph shall be fourteen dollars (\$14) per child
16 with a maximum required contribution of forty-two dollars (\$42)
17 per month per family.

18 (4) The premium discounts available to children enrolled in the
19 program whose families have annual or monthly household
20 incomes greater than 200 percent of the federal poverty level but
21 less than or equal to 250 percent of the federal poverty level shall
22 be available on the same terms to children enrolled in the program
23 whose families' annual or monthly household incomes are greater
24 than 250 percent of the federal poverty level but less than or equal
25 to 300 percent of the federal poverty level.

26 (e) Applicants, but not family contribution sponsors, who pay
27 three months of required family contributions in advance shall
28 receive the fourth consecutive month of coverage with no family
29 contribution required.

30 (f) Applicants, but not family contribution sponsors, who pay
31 the required family contributions by an approved means of
32 electronic fund transfer shall receive a 25-percent discount from
33 the required family contributions.

34 (g) It is the intent of the Legislature that the family contribution
35 amounts described in this section comply with the premium cost
36 sharing limits contained in Section 2103 of Title XXI of the Social
37 Security Act. If the amounts described in subdivision (a) are not
38 approved by the federal government, the board may adjust these
39 amounts to the extent required to achieve approval of the state
40 plan.

1 (h) The adoption and one readoption of regulations to implement
2 paragraph (3) of subdivision (b) and paragraph (3) of subdivision
3 (d) shall be deemed to be an emergency and necessary for the
4 immediate preservation of public peace, health, and safety, or
5 general welfare for purposes of Sections 11346.1 and 11349.6 of
6 the Government Code, and the board is hereby exempted from the
7 requirement that it describe specific facts showing the need for
8 immediate action and from review by the Office of Administrative
9 Law. For purposes of subdivision (e) of Section 11346.1 of the
10 Government Code, the 120-day period, as applicable to the
11 effective period of an emergency regulatory action and submission
12 of specified materials to the Office of Administrative Law, is
13 hereby extended to 180 days.

14 (i) The board may adopt, and may only one-time readopt,
15 regulations to implement the changes to this section that are
16 effective the first day of the fifth month following the enactment
17 of the 2008–09 Budget Act. The adoption and one-time readoption
18 of a regulation authorized by this section is deemed to address an
19 emergency, for purposes of Sections 11346.1 and 11349.6 of the
20 Government Code, and the board is hereby exempted for this
21 purpose from the requirements of subdivision (b) of Section
22 11346.1 of the Government Code.

23 SEC. 5. Section 12693.55.1 is added to the Insurance Code, to
24 read:

25 12693.55.1. The board and the State Department of Health
26 Care Services shall maximize federal matching funds available
27 under the program and the Medi-Cal program and shall implement
28 strategies that coordinate and integrate other programs that provide
29 health care coverage for children to maximize federal matching
30 funds, such as matching funds available for emergency or
31 pregnancy-related benefits under the Medi-Cal program for all
32 eligible children.

33 SEC. 6. Section 12693.56 is added to the Insurance Code, to
34 read:

35 12693.56. (a) Every person administering or providing benefits
36 under the program shall perform his or her duties in such a manner
37 as to secure for every subscriber the amount of assistance to which
38 the subscriber is entitled, without attempting to elicit any
39 information that is not required to carry out the provisions of the
40 law applicable to the program.

1 (b) All types of information, whether written or oral, concerning
2 an applicant, subscriber, or household member of the subscriber
3 or applicant, made or kept by any public officer or agency in
4 connection with the administration of any provision of this part
5 shall be confidential and shall not be open to examination other
6 than for purposes directly connected with the administration of
7 the program or the Medi-Cal program.

8 (c) Except as provided in this section and to the extent permitted
9 by federal law or regulation, all information concerning an
10 applicant, subscriber, or a household member of the subscriber or
11 applicant to be safeguarded as provided in subdivision (b) includes,
12 but is not limited to, names and addresses, medical services
13 provided, social and economic conditions or circumstances, agency
14 evaluation of personal information, and medical data, including
15 diagnosis and past history of disease or disability.

16 (d) For purposes of this section, “purposes directly connected
17 with the administration of the program or the Medi-Cal program”
18 include, but are not limited to, all activities and responsibilities
19 that the board or the State Department of Health Care Services
20 and their agents, officers, trustees, employees, consultants, and
21 contractors undergo in order to conduct operations of the program
22 and the Medi-Cal program.

23 (e) Nothing in this section shall be construed to prohibit the
24 disclosure of information about the applicant, subscriber, or
25 household member of the subscriber or applicant if the person to
26 whom the information pertains or the parent or adult with legal
27 custody of that person provides express written authorization for
28 the disclosure.

29 (f) Nothing in this section shall prohibit the disclosure of
30 protected health information as provided in Section 164.512 of
31 Title 45 of the Code of Federal Regulations.

32 (g) Nothing in this section shall preclude the board from
33 soliciting voluntary participation by applicants and subscribers in
34 communicating with the board, or with any other party, concerning
35 their needs as well as the needs of others who are not adequately
36 covered by existing private and public health care delivery systems
37 or concerning the means of ensuring the availability of adequate
38 health care services. The board shall inform applicants and
39 subscribers that their participation is voluntary and shall inform
40 them of the uses for which the information is intended.

1 SEC. 7. Section 12693.57 is added to the Insurance Code, to
2 read:

3 12693.57. (a) Upon implementation of subdivision (a) of
4 Section 14005.26 of the Welfare and Institutions Code and
5 paragraph (1) of subdivision (a) of Section 12693.701, the board
6 and the State Department of Health Care Services, in consultation
7 with stakeholders, shall develop a process for the transition of
8 eligible children from local children's health initiatives to the
9 Medi-Cal program and to the Healthy Families Program, ensuring
10 that all eligible children are transferred without a disruption in
11 coverage. The involved stakeholders shall include, but shall not
12 be limited to, local children's health initiative program officials,
13 children's advocates, consumer advocates, legislative staff,
14 counties, and others as appropriate.

15 (b) The process developed pursuant to subdivision (a) shall
16 include the provision of training on the transfer of children and
17 their coverage for local *and county* eligibility workers, Certified
18 Application Assistors, and other local children's health initiative
19 organizations assisting this population.

20 (c) The transition described in subdivision (a) shall only occur
21 after the board has implemented the confidentiality and privacy
22 standards pursuant to Section 12693.56 and the board and
23 department have implemented the other functions necessary to
24 operate the eligibility expansion pursuant to Sections 12693.43,
25 12693.70, 12693.701, and 12693.76, and Sections 14005.23 and
26 14005.26 of the Welfare and Institutions Code.

27 (d) Notwithstanding Chapter 3.5 (commencing with Section
28 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
29 the board and department may issue regulations, all-county letters,
30 or similar instructions, as necessary pursuant to the Administrative
31 Procedure Act, to implement this section. The adoption and
32 readoption of regulations pursuant to this section shall be deemed
33 to be an emergency and necessary for the immediate preservation
34 of public peace, health and safety, or general welfare.

35 SEC. 8. Section 12693.70 of the Insurance Code is amended
36 to read:

37 12693.70. To be eligible to participate in the program, an
38 applicant shall meet all of the following requirements:

39 (a) Be an applicant applying on behalf of an eligible child, which
40 means a child who is all of the following:

1 (1) Less than 19 years of age. An application may be made on
2 behalf of a child not yet born up to three months prior to the
3 expected date of delivery. Coverage shall begin as soon as
4 administratively feasible, as determined by the board, after the
5 board receives notification of the birth. However, no child less
6 than 12 months of age shall be eligible for coverage until 90 days
7 after the enactment of the Budget Act of 1999.

8 (2) Not eligible for no-cost full-scope Medi-Cal or Medicare
9 coverage at the time of application.

10 (3) In compliance with Sections 12693.71 and 12693.72.

11 (4) A resident of the State of California pursuant to Section 244
12 of the Government Code; or, if not a resident pursuant to Section
13 244 of the Government Code, is physically present in California
14 and entered the state with a job commitment or to seek
15 employment, whether or not employed at the time of application
16 to or after acceptance in, the program.

17 (5) (A) In either of the following:

18 (i) In a family with an annual or monthly household income
19 equal to or less than 200 percent of the federal poverty level.

20 (ii) When implemented by the board, subject to subdivision (b)
21 of Section 12693.765 and pursuant to this section, a child under
22 the age of two years who was delivered by a mother enrolled in
23 the Access for Infants and Mothers Program as described in Part
24 6.3 (commencing with Section 12695). Commencing July 1, 2007,
25 eligibility under this subparagraph shall not include infants during
26 any time they are enrolled in employer-sponsored health insurance
27 or are subject to an exclusion pursuant to Section 12693.71 or
28 12693.72, or are enrolled in the full scope of benefits under the
29 Medi-Cal program at no share of cost. For purposes of this clause,
30 any infant born to a woman whose enrollment in the Access for
31 Infants and Mothers Program begins after June 30, 2004, shall be
32 automatically enrolled in the Healthy Families Program, except
33 during any time on or after July 1, 2007, that the infant is enrolled
34 in employer-sponsored health insurance or is subject to an
35 exclusion pursuant to Section 12693.71 or 12693.72, or is enrolled
36 in the full scope of benefits under the Medi-Cal program at no
37 share of cost. Except as otherwise specified in this section, this
38 enrollment shall cover the first 12 months of the infant's life. At
39 the end of the 12 months, as a condition of continued eligibility,
40 the applicant shall provide income information. The infant shall

1 be disenrolled if the gross annual household income exceeds the
2 income eligibility standard that was in effect in the Access for
3 Infants and Mothers Program at the time the infant's mother
4 became eligible, or following the two-month period established
5 in Section 12693.981 if the infant is eligible for Medi-Cal with no
6 share of cost. At the end of the second year, infants shall again be
7 screened for program eligibility pursuant to this section, with
8 income eligibility evaluated pursuant to clause (i), subparagraphs
9 (B) and (C), and paragraph (2) of subdivision (a).

10 (B) All income over 200 percent of the federal poverty level
11 but less than or equal to 250 percent of the federal poverty level
12 shall be disregarded in calculating annual or monthly household
13 income.

14 (C) All income over 250 percent of the federal poverty level
15 but less than or equal to 300 percent of the federal poverty level
16 shall be disregarded in calculating annual or monthly household
17 income.

18 (D) In a family with an annual or monthly household income
19 greater than 300 percent of the federal poverty level, any income
20 deduction that is applicable to a child under Medi-Cal shall be
21 applied in determining the annual or monthly household income.
22 If the income deductions reduce the annual or monthly household
23 income to 300 percent or less of the federal poverty level,
24 subparagraph (C) shall be applied.

25 (b) The applicant shall agree to remain in the program for six
26 months, unless other coverage is obtained and proof of the coverage
27 is provided to the program.

28 (c) An applicant shall enroll all of the applicant's eligible
29 children in the program.

30 (d) In filing documentation to meet program eligibility
31 requirements, if the applicant's income documentation cannot be
32 provided, as defined in regulations promulgated by the board, the
33 applicant's signed statement as to the value or amount of income
34 shall be deemed to constitute verification.

35 (e) An applicant shall pay in full any family contributions owed
36 in arrears for any health, dental, or vision coverage provided by
37 the program within the prior 12 months.

38 (f) By January 2008, the board, in consultation with
39 stakeholders, shall implement processes by which applicants for
40 subscribers may certify income at the time of annual eligibility

1 review, including rules concerning which applicants shall be
2 permitted to certify income and the circumstances in which
3 supplemental information or documentation may be required. The
4 board may terminate using these processes not sooner than 90 days
5 after providing notification to the Chair of the Joint Legislative
6 Budget Committee. This notification shall articulate the specific
7 reasons for the termination and shall include all relevant data
8 elements that are applicable to document the reasons for the
9 termination. Upon the request of the Chair of the Joint Legislative
10 Budget Committee, the board shall promptly provide any additional
11 clarifying information regarding implementation of the processes
12 required by this subdivision.

13 (g) By July 1, 2011, the board, in consultation with stakeholders,
14 including, but not limited to, consumer advocates, shall do all of
15 the following:

16 (1) Implement a process by which applicants self-certify income
17 and income deductions at the time of initial application. The board
18 shall request documentation and verify that information only to
19 the extent required under federal law.

20 (2) Simplify the annual renewal forms for children enrolled in
21 the program, including forms prepopulated with all of the family's
22 eligibility information and a simple check-off list for families to
23 identify whether each eligibility information item remains correct.
24 The renewal form shall request families to provide and certify with
25 their signature any changes to the prepopulated eligibility
26 information form.

27 (3) Establish a process to allow families to renew their child's
28 coverage by telephone.

29 SEC. 9. Section 12693.701 is added to the Insurance Code, to
30 read:

31 12693.701. (a) (1) On and after January 1, 2010, children
32 under 19 years of age who meet the state residency requirements
33 of the Medi-Cal program or the Healthy Families Program shall
34 be eligible for health care coverage in accordance with subdivision

35 (b) if they satisfy either of the following criteria:

36 (A) Live in families with countable household income at or
37 below 300 percent of the federal poverty level.

38 (B) Meet the income requirements of Section 14005.7 of the
39 Welfare and Institutions Code or the income and resource

1 requirements of Section 14005.30 of the Welfare and Institutions
2 Code.

3 (2) The eligibility under paragraph (1) includes for both
4 programs all children for whom federal financial participation
5 under Title XIX of the federal Social Security Act (42 U.S.C. Sec.
6 1396 et seq.), or under Title XXI of the federal Social Security
7 Act (42 U.S.C. Sec. 1397aa et seq.) is not available because of
8 their immigration status or date of entry into the United States, but
9 does not include children who are ineligible for funds under those
10 titles for other reasons.

11 (b) Children described in subdivision (a) in families whose
12 household income would make them ineligible for the Medi-Cal
13 program with no share of cost or for Medicare, and who are in
14 compliance with Sections 12693.71 and 12693.72, shall be eligible
15 for the Healthy Families Program and shall also be eligible for the
16 Medi-Cal program with a share of cost in accordance with Section
17 14005.7 of the Welfare and Institutions Code. The remaining
18 children described in subdivision (a) shall be eligible for the
19 Medi-Cal program with no share of cost.

20 (c) Nothing in this section shall be construed to authorize the
21 denial or reduction of medical assistance under the Medi-Cal
22 program (Chapter 7 (commencing with Section 14000) of Part 3
23 of Division 9 of the Welfare and Institutions Code) or the Healthy
24 Families Program to a person who, without the application of this
25 section, would qualify for that assistance or to relieve the Medi-Cal
26 program of the obligation to determine eligibility on all other
27 available grounds.

28 SEC. 10. Section 12693.73 of the Insurance Code is amended
29 to read:

30 12693.73. Notwithstanding any other provision of law, children
31 excluded from coverage under Title XXI of the Social Security
32 Act are not eligible for coverage under the program, except as
33 specified in clause (ii) of subparagraph (A) of paragraph (5) of
34 subdivision (a) of Section 12693.70, Section 12693.701, and
35 Section 12693.76.

36 SEC. 11. Section 12693.76 of the Insurance Code is amended
37 to read:

38 12693.76. (a) Notwithstanding any other provision of law, a
39 child shall not be determined ineligible solely on the basis of his
40 or her immigration status or date of entry into the United States.

(b) Notwithstanding any other provision of law, subdivision (a) may only be implemented to the extent provided in the annual Budget Act.

(c) Notwithstanding any other provision of law, an uninsured parent or responsible adult who is a qualified alien, as defined in Section 1641 of Title 8 of the United States Code, shall not be determined to be ineligible solely on the basis of his or her date of entry into the United States.

(d) Notwithstanding any other provision of law, subdivision (c) may only be implemented to the extent of funding provided in the annual Budget Act.

SEC. 12. Section 12693.983 is added to the Insurance Code, to read:

12693.983. (a) On and after January 1, 2010, the board and the State Department of Health Care Services shall monitor the Healthy Families Presumptive Eligibility Program established under Section 12693.98a and the program of presumptive eligibility (Healthy Families to Medi-Cal Presumptive Eligibility Program) established under Section 14011.65b of the Welfare and Institutions Code in order to ensure that all children are enrolled in a timely manner in the presumptive eligibility benefits for which they are eligible.

(b) The monitoring responsibilities required by this section shall consist of the following activities:

(1) The board and the department shall collect and make publicly available on their respective Internet Web sites, the following data on a quarterly basis:

(A) The number of children enrolled in the Healthy Families Presumptive Eligibility Program and the number of children enrolled in the Healthy Families to Medi-Cal Presumptive Eligibility Program.

(B) The length of time these children were enrolled in each program.

(C) The status of the children enrolled in each program, including a status report for each child enrolled more than one month in the Healthy Families Presumptive Eligibility Program and more than two months in the Healthy Families to Medi-Cal Presumptive Eligibility Program.

(2) The board and the department shall record all attempts to assist the child to enroll in ongoing health benefits programs and

1 shall record the final disposition of the child's application for
2 continuing health care coverage.

3 (c) The department shall work with the board, counties, and
4 client advocates to document and identify barriers to timely
5 eligibility determination and discontinuance of accelerated benefits
6 for children and to implement methods to overcome those barriers.
7 The department, in consultation with the board, counties, and client
8 advocates, shall provide written recommendations to the Secretary
9 of California Health and Human Services on how to ensure timely
10 eligibility determinations for children enrolled in accelerated
11 enrollment and presumptive eligibility programs and shall work
12 with stakeholders and consumer advocates to implement those
13 recommendations.

14 SEC. 13. Section 12694 of the Insurance Code is amended to
15 read:

16 12694. (a) The board and the department, in collaboration
17 with program offices for the California Special Supplemental Food
18 Program for Women, Infants, and Children (WIC or the WIC
19 program), local WIC agencies, counties in their capacity of making
20 Medi-Cal eligibility determinations, advocates, information
21 technology specialists, and other stakeholders, shall design,
22 promulgate, and implement policies and procedures for an
23 automated enrollment gateway system developed by the department
24 and the board that performs, but is not limited to performing, the
25 following functions:

26 (1) To the extent that federal financial participation is available,
27 allowing children applying to the WIC program to submit a simple
28 electronic application to simultaneously obtain presumptive
29 eligibility for the Medi-Cal program and the Healthy Families
30 Program under Title XIX (42 U.S.C. Sec. 1396 et seq.) and Title
31 XXI (42 U.S.C. Sec. 1397aa et seq.) of the Social Security Act
32 and apply for enrollment into the Medi-Cal program or the Healthy
33 Families Program with the consent of their parent or guardian.

34 (2) Modify the existing WIC enrollment system to obtain the
35 minimum required data for enrollment in the Medi-Cal program
36 and the Healthy Families Program in order to provide an electronic
37 transactional platform that is connected to the simple electronic
38 application referenced in paragraph (1) and allowing for an
39 interface between that application, the Medi-Cal Eligibility Data

1 System (MEDS), and the Medi-Cal program or the Healthy
2 Families Program, as relevant.

3 (3) Providing an automated real-time connection with MEDS
4 for the purpose of checking an applicant's enrollment status.

5 (4) Allowing for the electronic transfer of information to the
6 Medi-Cal program or the Healthy Families Program, as relevant,
7 for the purpose of making the final eligibility determination.

8 (5) Checking, as relevant, available government databases for
9 the purpose of electronically receiving information that is necessary
10 to allow the Medi-Cal program or the Healthy Families Program
11 to complete the eligibility determination. The department and the
12 Managed Risk Medical Insurance Board shall comply with all
13 applicable privacy and confidentiality provisions under federal
14 and state law.

15 (b) The automated enrollment gateway system shall be
16 constructed with the capacity to be used by entities operating the
17 WIC program. Those WIC local agencies that serve a large number
18 of participants and those that serve a high proportion of uninsured
19 participants, at levels designated by the entities provided for in
20 subdivision (a), shall be required to use the automated enrollment
21 gateway system to the extent funding provided in subdivision (k)
22 is sufficient to accomplish the tasks of participation. All other WIC
23 local agencies may use the WIC gateway system at their option.

24 (c) The WIC application process shall be modified to provide
25 an electronic application described in subdivision (a), which shall
26 contain the information necessary to apply for the automated
27 enrollment gateway system, supplemented by information required
28 to apply for enrollment into the Medi-Cal program or the Healthy
29 Families Program.

30 (d) Benefits for applicants opting to simultaneously obtain
31 presumptive eligibility for enrollment under this section shall
32 continue until a final eligibility determination is made for the
33 Medi-Cal program or the Healthy Families Program pursuant to
34 Section 14011.8 of the Welfare and Institutions Code.

35 (e) Operation of the automated enrollment gateway system for
36 the WIC program shall occur within a timely and appropriate period
37 as determined by the department and the board, in consultation
38 with the stakeholders as provided in subdivision (a) subject to a
39 specific appropriation being provided for that purpose in the Budget
40 Act or in subsequent legislation. The automated enrollment

1 gateway system shall comply with all applicable confidentiality
2 and privacy protection in federal and state law and regulation.

3 (f) The WIC program shall collect income and residency
4 information necessary for the Medi-Cal program and the Healthy
5 Families Program documentation requirements for applications
6 submitted through the automated enrollment gateway system. To
7 the extent allowed by the federal government, the Medi-Cal and
8 Healthy Families programs shall rely on income information
9 obtained by WIC and upon the income verification process
10 performed by WIC. The Medi-Cal and Healthy Families programs
11 shall collect and verify citizenship and immigration information
12 as required under those programs.

13 (g) Consistent with the provisions of this section, the Medi-Cal
14 and Healthy Families programs may collect additional information
15 needed to verify eligibility in those programs.

16 (h) Counties shall accept and process for a Medi-Cal eligibility
17 determination applications provided by the WIC gateway system
18 and ensure timely processing of these applications and a timely
19 eligibility determination and ending of presumptive eligibility.

20 (i) The presumptive eligibility benefits provided under this
21 section shall be identical to the benefits provided to children who
22 receive full-scope Medi-Cal benefits without a share of cost, and
23 shall only be made available through a Medi-Cal provider.

24 (j) The confidentiality and privacy protections set forth in
25 Sections 10850 and 14100.2 of the Welfare and Institutions Code
26 and all other confidentiality and privacy protections in federal and
27 state law and regulation shall apply to all children and families
28 using the automated enrollment gateway system as described in
29 this section.

30 (k) The state shall promote and offer support to the WIC
31 program for the use of the simple electronic application and the
32 automated enrollment gateway system. Participation in the
33 automated enrollment gateway system shall be required only to
34 the extent that sufficient financial assistance is made available to
35 support the additional training, staff time, administration, and other
36 expenditures required by a WIC local agency to use the gateway.
37 This financial assistance can be made available by public and
38 private entities.

39 (l) The board shall seek approval of any amendments to the
40 state plan necessary to implement this section, in accordance with

1 Title XXI (42 U.S.C. Sec. 1397aa et seq.) of the federal Social
2 Security Act.

3 (m) The department shall seek approval of any amendments to
4 the state plan necessary to implement this section, in accordance
5 with Title XIX (42 U.S.C. Sec. 1396 et seq.) of the federal Social
6 Security Act. Notwithstanding any other provision of law, only
7 when all necessary federal approvals have been obtained shall this
8 section be implemented.

9 SEC. 14. Chapter 16.2 (commencing with Section 12694.1) is
10 added to Part 6.2 of Division 2 of the Insurance Code, to read:

11
12 CHAPTER 16.2. HEALTHY FAMILIES BUY-IN PROGRAM
13

14 12694.1. By July 1, 2011, the board shall implement the
15 Healthy Families Buy-In Program that shall be referred to as the
16 buy-in program for purposes of this chapter.

17 12694.2. A child under 19 years of age is eligible for the buy-in
18 program if he or she meets all of the following criteria:

19 (a) Lives in a family whose monthly or annual income exceeds
20 300 percent of the federal poverty level.

21 (b) Is not eligible for full-scope Medi-Cal benefits without a
22 share of cost or the Healthy Families Program.

23 (c) Has been without health care coverage for, at minimum, a
24 period of six consecutive months immediately preceding the date
25 of application for the buy-in program. Compliance with this criteria
26 shall be determined by the board using the same verification
27 procedures that it uses to verify compliance with Sections 12693.71
28 and 12693.72.

29 12694.4. The coverage for children in the buy-in program shall
30 be identical to the coverage for children enrolled in the Healthy
31 Families Program and shall include health, dental, and vision
32 benefits provided solely by a participating health, dental, or vision
33 care plan. Coverage shall also include the services provided
34 pursuant to the California Children's Services Program (Article 5
35 (commencing with Section 123800) of Chapter 3 of Part 2 of
36 Division 106 of the Health and Safety Code) for a child who has
37 been found eligible for that program.

38 12694.5. (a) The family of a child enrolled in the buy-in
39 program shall pay the board a monthly contribution amount that
40 ~~include~~ *includes* both of the following:

1 (1) The full cost of coverage for health, dental, and vision
2 benefits for a child under the Healthy Families Program.

3 (2) The per capita actuarial value, including medical, case
4 management, and administrative costs, of providing the California
5 Children's Services Program to a child enrolled in the buy-in
6 program, as calculated annually by the board in consultation with
7 the California Children's Services Program and the State
8 Department of Health Care Services.

9 (b) The family of a child enrolled in the buy-in program shall
10 receive the same discounts from their contributions under this
11 section as provided to applicants pursuant to paragraph (4) of
12 subdivision (d) of, and subdivisions (e) and (f) of, Section 12693.43
13 and shall be subject to the payment procedures set forth in Section
14 2699.6813 of Title 10 of the California Code of Regulations.

15 12694.6. (a) A county that determines a child ineligible for
16 the Medi-Cal program or for the Healthy Families Program shall
17 inform the applicant of the option of enrolling the child in the
18 buy-in program and, with the applicant's approval, shall transmit
19 the application to the board.

20 (b) If the board determines a child is ineligible for the Healthy
21 Families Program or the Medi-Cal program, it shall inform the
22 applicant of the option of enrolling the child in the buy-in program
23 and, with the applicant's approval, shall consider the application
24 for the child's eligibility for the buy-in program.

25 12694.7. (a) The board, in conjunction with the State
26 Department of Health Care Services and the California Children's
27 Services Program, shall study the impact of the inclusion of the
28 California Children's Services Program in the buy-in program on
29 all of the following:

30 (1) The enrollment of eligible children in the buy-in program.

31 (2) The California Children's Services Program.

32 (3) Buy-in program costs.

33 (4) Access to California Children's Services Program services
34 for eligible buy-in participants.

35 (b) The board shall provide a report to the Legislature of the
36 study conducted pursuant to this section, including, but not limited
37 to, recommendations on how to improve access to California
38 Children's Services Program services for children eligible for the
39 buy-in program.

1 SEC. 15. Section 14005.23 of the Welfare and Institutions
2 Code is amended to read:

3 14005.23. (a) To the extent federal financial participation is
4 available, the department shall, when determining eligibility for
5 children under Section 1396a(l)(1)(D) of Title 42 of the United
6 States Code, designate a birth date by which all children who have
7 not attained the age of 19 years will meet the age requirement of
8 Section 1396a(l)(1)(D) of Title 42 of the United States Code.

9 (b) On and after January 1, 2010, the department shall apply
10 the less restrictive income deduction described in Section 1396a(r)
11 of Title 42 of the United States Code when determining eligibility
12 for the children identified in Section 14005.26. The amount of this
13 deduction shall be the difference between 133 percent and 100
14 percent of the federal poverty level applicable to the size of the
15 family.

16 SEC. 16. Section 14005.26 is added to the Welfare and
17 Institutions Code, to read:

18 14005.26. (a) On and after January 1, 2010, children, including
19 children for whom federal financial participation is not available
20 under Title XIX of the federal Social Security Act (42 U.S.C. Sec.
21 1396 et seq.) for full-scope coverage, who meet the household
22 income and age requirements in Section 14005.23 shall be eligible
23 to enroll in the Medi-Cal program. *The parent or caretaker relative*
24 *of the child shall sign, under penalty of perjury, an attestation that*
25 *indicates whether the child is described in any of the categories*
26 *enumerated on the attestation for which federal financial*
27 *participation for full-scope coverage is available.*

28 (b) When determining the eligibility of children described in
29 subdivision (a), the department shall apply the less restrictive
30 income disregard described in Section 1396a(r) of Title 42 of the
31 United States Code. The income disregard shall be equal to the
32 difference between the income standard and the amount equal to
33 133 percent of the federal poverty level applicable to the size of
34 the family.

35 (c) Nothing in this section shall be construed to authorize the
36 denial, discontinuance, or reduction of medical assistance under
37 the Medi-Cal program or the Healthy Families Program (Part 6.2
38 (commencing with Section 12693) of Division 2 of the Insurance
39 Code) to a person who qualifies for the Medi-Cal program or for
40 the Healthy Families Program, or who, without the application of

1 this section, would qualify for either program, or to relieve the
2 Medi-Cal program or the Healthy Families Program of the
3 obligation to determine eligibility on all other available grounds.

4 *(d) In implementing this section, the department shall consult*
5 *with stakeholders, including, but not limited to, consumer*
6 *advocates and counties.*

7 SEC. 17. Section 14011.01 is added to the Welfare and
8 Institutions Code, to read:

9 14011.01. By July 1, 2011, the department, in consultation
10 with stakeholders, including, but not limited to, consumer
11 advocates, shall do both of the following:

12 (a) Simplify the annual renewal forms for children enrolled in
13 the Medi-Cal program, including forms prepopulated with all of
14 the family's eligibility information and a simple check-off list for
15 families to identify whether each eligibility information item
16 remains correct. The renewal form shall request families to provide
17 and certify with their signature any changes to the prepopulated
18 eligibility information form.

19 (b) Establish a process to allow families to renew their child's
20 coverage by telephone.

21 SEC. 18. Section 14011.02 is added to the Welfare and
22 Institutions Code, to read:

23 14011.02. (a) The department, in coordination with the
24 Managed Risk Medical Insurance Board, counties, stakeholders,
25 including, but not limited to, consumer advocates, shall make
26 technological improvements to the existing eligibility determination
27 and enrollment systems for the Medi-Cal program, such as the
28 Medi-Cal Eligibility Data System (MEDS), the Statewide
29 Automated Welfare System, and the Healthy Families Program
30 based on the guidelines set forth in subdivisions (b), (c), and (d)
31 in order to better integrate the enrollment processes for those
32 programs.

33 (b) The improvements shall allow families to be screened for,
34 and with their consent to apply to, multiple programs from more
35 than one location.

36 (c) The improvements shall include, but not be limited to,
37 accomplishment of all of the following objectives:

38 (1) Promote accessible enrollment opportunities through public
39 service programs that are widely used by families, including
40 schools and other public access points, while incorporating

1 mechanisms to minimize duplicate applications and to identify
2 whether a child is currently enrolled in the Medi-Cal program, the
3 Healthy Families Program, or other coverage before processing a
4 new application.

5 (2) Eliminate all duplicative requests and requirements for
6 applications and other information and require the Managed Risk
7 Medical Insurance Board, the department, and the counties to use
8 the procedures in subdivisions (e) to (g), inclusive, of Section
9 14005.37 for all applications to minimize the burdens on families.

10 (3) Support electronic and digital signature approaches to reduce
11 the burden of the applicant appearing in person and to allow the
12 applicant to submit any application without appearing in person,
13 wherever possible.

14 (4) Eliminate all documentation requirements, other than those
15 required by federal law, and verify necessary information through
16 other available databases and through the use of the procedures
17 established in subdivisions (e) to (g), inclusive, of Section
18 14005.37.

19 (5) Promote data integrity by expanding access to and improving
20 MEDS search and file clearance functionality.

21 (6) Include the ability to obtain birth and other state maintained
22 verification documents electronically.

23 (7) Support electronic exchange of information with the
24 Statewide Automated Welfare System.

25 (8) Guarantee privacy protections and secure information
26 exchange.

27 (d) To improve the integration and efficiency of technological
28 systems used by the state to operate the Medi-Cal program and
29 the Healthy Families Program, the department shall take the
30 following actions:

31 (1) Establish reusable service-based interfaces to allow multiple
32 existing enrollment systems to exchange data electronically.

33 (2) Support the electronic submission of verification documents
34 that are also available for exchange and reuse by multiple existing
35 enrollment systems.

36 (3) Develop a plan and timeline for the implementation of
37 technology that provides an infrastructure to allow legacy systems,
38 new enrollment systems, and other systems to access common
39 system functions, features, and rules through a central repository
40 of shared services.

1 (e) The technological improvements required by this section
2 shall be implemented by ~~July 1, 2011~~ *January 1, 2013*.

3 SEC. 19. Section 14011.61 is added to the Welfare and
4 Institutions Code, to read:

5 14011.61. (a) To the extent allowed under Title XIX of the
6 federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) and Title
7 XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et
8 seq.), and to the extent federal financial participation is available
9 under Title XXI of the federal Social Security Act, the department
10 shall administer the Medi-Cal Presumptive Eligibility Program to
11 provide a child who meets the criteria set forth in subdivision (d)
12 with presumptive eligibility benefits for the period described in
13 this section.

14 (b) The department shall designate all 58 counties as qualified
15 entities for determining eligibility under this section.

16 (c) A county shall perform an initial screen of every application
17 for the Medi-Cal program or the Healthy Families Program that
18 is filed with that county. The initial screen shall be completed
19 within ~~48 hours~~ *four business days* from the time of ~~submission~~
20 *receipt* of the application for the Medi-Cal program or the Healthy
21 Families Program.

22 (d) On the basis of the initial screen performed by the county,
23 a child who meets all of the following requirements shall be eligible
24 for presumptive eligibility benefits under this section:

25 (1) The child, or his or her parent or guardian, submits an
26 application for the Medi-Cal program or the Healthy Families
27 Program with the county.

28 (2) The child's income, as screened by the county on the basis
29 of the application described in paragraph (1), appears to be within
30 the income levels necessary to establish eligibility for the Medi-Cal
31 program with no share of cost.

32 (3) The child is under 19 years of age at the time of the
33 application.

34 (4) The child is not receiving no-cost Medi-Cal benefits or
35 benefits under the Healthy Families Program at the time that the
36 application is submitted.

37 (e) When the county performs the initial screen and determines
38 that the child meets the criteria described in subdivision (d), the
39 county shall immediately establish presumptive eligibility for the
40 Medi-Cal program for that child. The presumptive eligibility

benefits provided under this section shall be identical to the benefits provided to children who receive full-scope Medi-Cal benefits with no share of cost and shall only be made available through a Medi-Cal program provider.

(f) Once presumptive eligibility has been established, the county shall continue to determine a child's eligibility for the Medi-Cal program on the basis of the application submitted to it.

(g) The period of presumptive eligibility provided for under this section begins on the first day of the month that the application is filed.

(h) If the county determines that the child is eligible for the Medi-Cal program without a share of cost, the county shall enroll the child in the Medi-Cal program without an interruption in coverage. If the county determines that the child is eligible for the Medi-Cal program with a share of cost, the county shall enroll the child in the Medi-Cal program and forward the application to the Managed Risk Medical Insurance Board for an evaluation of the child's eligibility for the Healthy Families Program. To ensure continuity of coverage, the presumptive eligibility benefits under this section shall terminate on the last day of the month that precedes the month in which the child begins receiving benefits under the Medi-Cal program.

(i) If the county determines that the child is ineligible for the Medi-Cal program with or without a share of cost, the county shall terminate the child's presumptive eligibility benefits under this section in accordance with due process requirements.

(j) The Managed Risk Medical Insurance Board and the department, in consultation with counties, consumer advocates, and other stakeholders, shall develop a notice to inform families of the transfer of a case between the Medi-Cal program and the Healthy Families Program and from presumptive eligibility benefits to benefits under one of those programs, to minimize the confusion for the family, to clarify that coverage is continued during the transfer, and to provide the family with contact information advising the family where to ask questions about continuity of coverage and access to care.

(k) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions, without taking any further regulatory

1 action. Thereafter, the department shall adopt regulations, as
2 necessary, to implement this section in accordance with the
3 requirements of Chapter 3.5 (commencing with Section 11340) of
4 Part 1 of Division 3 of Title 2 of the Government Code.

5 (l) The department, in consultation with representatives of the
6 local agencies that administer the Medi-Cal program, consumer
7 advocates, and other stakeholders, shall develop and distribute the
8 policies and procedures, including any all-county letters, necessary
9 to implement this section.

10 (m) Nothing in this section shall be construed to authorize the
11 denial of medical assistance under the Medi-Cal program to a child
12 who, without the application of this section, would qualify for that
13 assistance or to excuse the Medi-Cal program or the Healthy
14 Families Program of the obligation to determine eligibility on all
15 other available grounds.

16 (n) The department shall implement this section by July 1, 2011.

17 SEC. 20. It is the intent of the Legislature to enact legislation
18 that would require the State Department of Health Care Services
19 to coordinate with the Employment Development Department to
20 inform recently unemployed workers about potential eligibility
21 for the Medi-Cal program, the Healthy Families Program, or other
22 public health care coverage programs.

23 SEC. 21. It is the intent of the Legislature to enact legislation
24 that would, on or before July 1, 2011, restore funding for the county
25 outreach and enrollment plans pursuant to Section 14067.3 of the
26 Welfare and Institutions Code and that would broaden the outreach
27 approach of those plans to all California counties.

28 SEC. 22. It is the intent of the Legislature to enact legislation
29 providing parents with an easier way to pay premiums, including
30 family contributions under the Healthy Families Program, with
31 pretax dollars or through their paychecks.

32 SEC. 23. Notwithstanding any other provision of law, the
33 Managed Risk Medical Insurance Board may implement the
34 provisions of this act expanding the Healthy Families Program
35 only to the extent that funds are appropriated for those purposes
36 in the annual Budget Act or in another statute.

37 ~~SEC. 24. If the Commission on State Mandates determines~~
38 ~~that this act contains costs mandated by the state, reimbursement~~
39 ~~to local agencies and school districts for those costs shall be made~~

1 pursuant to Part 7 (commencing with Section 17500) of Division
2 4 of Title 2 of the Government Code.

3 *SEC. 24. No reimbursement is required by this act pursuant*
4 *to Section 6 of Article XIII B of the California Constitution for*
5 *certain costs that may be incurred by a local agency or school*
6 *district because, in that regard, this act creates a new crime or*
7 *infraction, eliminates a crime or infraction, or changes the penalty*
8 *for a crime or infraction, within the meaning of Section 17556 of*
9 *the Government Code, or changes the definition of a crime within*
10 *the meaning of Section 6 of Article XIII B of the California*
11 *Constitution.*

12 *However, if the Commission on State Mandates determines that*
13 *this act contains other costs mandated by the state, reimbursement*
14 *to local agencies and school districts for those costs shall be made*
15 *pursuant to Part 7 (commencing with Section 17500) of Division*
16 *4 of Title 2 of the Government Code.*